

**Appropriations Committee
Health Subcommittee
February 24, 2022**

**Public Hearing on:
House Bill 5037 AAC the State Budget for the Biennium Ending June 30th, 2023
(Department of Developmental Services)**

Good afternoon/evening, Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee. My name is Loraine Shea and I am the President and CEO of Easterseals of Greater Waterbury. Thank you for the opportunity to provide testimony on the state budget.

Easterseals has been a qualified private provider for the Department of Developmental Services for over thirty years. Our dedicated and talented staff provide Day Support Programming, In Home Community Based Supports, Transitional and Employment Programming to Developmentally Disabled adults.

Let me start by thanking you for the 4% Cost of Living Adjustment (COLA) for community nonprofits that you fought to include in last year's budget. I'm here tonight to ask you to honor the long term plan to address underfunding of community nonprofits and increase funding this year by an additional \$461 million, or 8% in total for FY23.

This funding is needed now more than ever. Without it, we risk destabilizing our state's community service delivery system which has been upended by the pressures of COVID-19 and an exponential increase in the need for service in our communities.

At the same time, we're facing unprecedented challenges recruiting and retaining staff of all skill levels and salaries.

We are having continual difficulty recruiting qualified staff as Direct Support Personnel, care coordinators and nurses. The amount of orientation and training that is required and provided is frequently wasted when a newly

hired candidate leaves because they got a better offer at Amazon. (for example)

Organizations are in competition with companies like Amazon and Walmart that require no specialized training, are paying more and offering more hiring incentives. Staff are being lured away by lucrative offers from the private sector. 18%, nearly 1 in 5, nonprofit jobs are vacant right now. Easterseals fits into this narrative.

The number of vacant positions in my organization is having a direct impact on the numbers of individuals we can serve. We have individuals who are finally ready to come back to program but we cannot provide the needed staff. Individuals with medical needs have not returned to program because we cannot hire nursing staff. This means that they wait and wait.. Supporting individuals in the community- which more often than not requires 1:1 staffing, is becoming nearly impossible. Leaders are providing Direct Support Services but they cannot be in 7 homes at once. Those devoted employees who have worked tirelessly on the front lines as essential workers during this pandemic are exhausted and disheartened. They love doing their jobs but many have stated they are at their breaking point.

The increase in this year's budget, while very much appreciated, has quickly been absorbed by rising costs. Over the last year, inflation rose by almost six percent, surpassing the COLA in the current year's budget. More recently I have seen inflation estimated at 8%!

We have a fleet of over 20 vehicles to transport individuals to community based employment and other activities. The rising cost of gas alone has impacted how we operate. Also to add insult to injury, we had 11 of our vehicles vandalized in our parking lot when their catalytic converters were stolen. There is no line item in our budget to pay the insurance deductible for that. Add that to increasing costs for employee benefits (8% increase this year), utilities, general supply costs, snow removal – I could go on and on, and only 5 months into the fiscal year my organization is already at a over \$400K operational loss.

Nonprofit Providers funded by the Department of Developmental Services are grateful for the efforts of the Appropriations Committee and Governor Lamont to address wage and funding issues specific to services for the Intellectual/Developmental Disabilities population. Last year's Group Home Settlement provided significant funding to increase the minimum wage for direct support staff in DDS agencies.

However, the group home settlement also created significant challenges:

- First, the terms of the settlement provided wage increases of as much as 11.6% for entry level staff, which next year will increase to 14.5%. But the agreement only provides a 3% increase to everyone else. Staff who before July were making only slightly above the new minimum, often people who had years or decades of experience or managing other staff, found themselves suddenly paid almost the same as a new hire. This compression creates issues with staff morale and value.
- Second, the funding dedicated a pool of dollars to enhance employee benefits, but to date none of that funding has been disbursed to providers. We understand it to total less than half what providers have told DDS they would need.

The wage compression experienced at Easterseals has just added to the retention issues. Direct service providers are being paid just slightly lower than a mastered prepared Social Worker or Case Manager. This type of system cannot continue with any level of success for the employees or those individuals we support.

The job before you is not easy and I appreciate that... Please consider this request to commit to an continued increases in funding for the DDS budget for FY 23. Our employees stepped up big time during this pandemic- providing care when the environment was uncertain and often times very scary. Please consider this as you deliberate on this years budget.

Thank you for all you do for the State of Connecticut.